

## RATU

### PT Raharja Energy Cepu Tbk.

#### Asset-Light Player

- RATU operates as a holding entity investing in productive oil and gas assets with a more controlled risk profile.
- Net income surged to USD5.9 million in 1Q25 (+63.9% YoY), supported by declining lifting oil & gas cost. Net profit margin expanded meaningfully to 44.7% (1Q24: 26.9%).
- We forecast the average Brent crude oil price to decline to USD70 per barrel in 2025F (-12.5% YoY vs. the 2024 average).
- Initiate a HOLD rating for RATU with a target price of Rp6,500, reflecting 49.0x PE.

#### Strategic Holdings in Key Oil & Gas Blocks

PT Raharja Energi Cepu Tbk (RATU) is a holding company in the oil and gas sector, with ownership in the Cepu Block via PT Petrogas Jatim Utama Cendana (PJUC) and in the Jabung Block via PT Raharja Energi Tanjung Jabung (RETJ). Through PJUC, RATU indirectly holds a 2.2423% participating interest in the Cepu Block, which contributed an average of 153k BOPD to national production as of 1Q25 with remaining 2P reserve equal to 352 MMBO. This is supported by the Banyu Urip Infill Clastic (BUIC) project, involves drilling 7 wells, targeting approximately 40-60 MMBO (19k BOPD) by 2027, aligning with Indonesia's goal of reaching 1 million BOPD by 2030. In the Jabung Block, operated by PetroChina, RATU holds an 8% participating interest. The block produced an average of 52k BOEPD with 2P reserves amount to 292 MMBOE. PetroChina has committed to continue operating the block until 2043.

#### Asset-Light Model with Strong Cash Flow

Unlike upstream oil and gas companies, RATU operates as a holding entity investing in productive oil and gas assets with a more controlled risk profile. The Cepu Block, a key contributor to national oil output, generates stable cash flows, with further upside from the BUIC project. The Jabung Block provides diversification through gas production, aligning with energy transition efforts. RATU's ownership structure allows it to benefit from the operational expertise of major operators such as ExxonMobil and PetroChina without committing to large capital expenditures. With an asset-light business model and a capex-to-sales ratio of 0.02x in 2024 (vs MEDC: 0.16x; ENRG: 0.66x), the company has greater flexibility to allocate capital toward expansion or acquisitions, making it more resilient to energy price volatility and changes in industry dynamics.

#### Growth Roadmap Across Energy Value Chain

In the short term, RATU will focus on financial stability by allocating Rp157.4 billion from its IPO to meet cash calls for the Jabung Block and support BUIC optimization. In the medium term, it plans to expand its portfolio through new participating interest acquisitions or increasing ownership in existing blocks, supported by external funding such as bonds or partnerships. Over the long term, RATU aims to evolve into an integrated energy company by leveraging its strategic position in the Cepu Block, which contributes 25% of national oil output, and begin investing in LNG or renewables to support Indonesia's 2030 production goals of 1 million BOPD and 12 BSCFD.

#### Revenue Growth Offset by Cost Pressures

RATU posted a slight decline in revenue to USD13.2 million in 1Q25 (-2.0% YoY). The dip was primarily driven by lower lifting volumes from the Jabung Block, which averaged 50k BOEPD (vs 54k BOEPD in 1Q24). However, net income surged to USD5.9 million in 1Q25 (+63.9% YoY), supported by declining lifting oil & gas cost to USD5,4 million (-34,8% YoY). Net profit margin expanded meaningfully to 44.7% (1Q24: 26.9%).

#### Initiate HOLD with TP Rp6.500

We initiate coverage on RATU with a HOLD recommendation and a DCF-based target price of Rp6,500, reflecting 49.0x PE. Near-term upside may be limited as the market awaits execution of growth initiatives such as BUIC optimization and future asset acquisitions. **Key Risk:** oil price volatility, high relative valuation, regulatory shifts, and reliance on third-party operators.

#### Key Financial Highlights

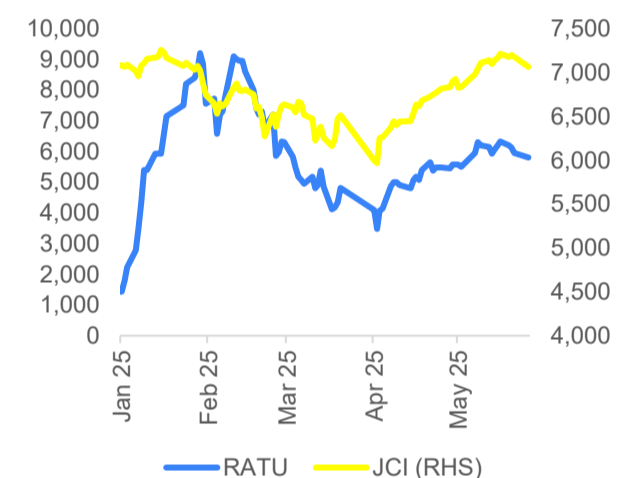
Key Metrics	2022	2023	2024	2025F	2026F
Revenue (USD th)	0	47,042	57,743	53,624	46,675
EBITDA (USD th)	-501	26,210	20,513	27,354	23,576
Net Profit (USD th)	6,224	24,302	13,870	21,911	18,542
EPS Growth (%)	200.2	298.2	-40.3	63.3	-15.4
P/E (x)	N/A	N/A	N/A	49.04	57.95
P/BV (x)	N/A	N/A	N/A	21.79	15.84
EV/EBITDA (x)	N/A	N/A	N/A	106.68	123.78

## HOLD

#### Stock Information (as of June 3, 2025)

Last Price (Rp)	6,125
Target Price (Rp)	6,500
Upside/Downside	6.1%
Market Cap (Rp tn)	16.6
52 Week Range (Rp)	9,900 – 1,435
Free Float	30.0%
Share Out. (bn)	2.7

#### Relative to JCI Performance



#### Shareholders

RATU's Shareholders	Percentage
PT Rukun Raharja Tbk	70.0%
Public	30.0%

#### Company Description

##### RATU's Company Profile

RATU is an Indonesia-based holding company with the main activity of managing investments in the oil and gas sector. The Company has investments in Cepu Block, through PT Petrogas Jatim Utama Cendana (participating interest of approximately 2.2423%), and Jabung Block, through PT Raharja Energi Tanjung Jabung (holds approximately 8% participating interest).

#### Analyst

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**INVESTMENT SUMMARY**

**Oil price forecast**

We forecast the average Brent crude oil price to decline to USD70 per barrel in 2025F (-12.5% YoY vs. the 2024 average), driven by an expected build-up in global oil inventories by end-2025 and into 2026. This is in line with OPEC+ gradually easing production cuts and rising non-OPEC supply. US crude oil production is projected to increase to 13.61 million bpd in 2025 (+3.0% YoY), roughly 20,000 bpd higher than previous estimates. On a global scale, oil production is expected to reach 104.17 million bpd by year-end, while global demand is projected at 104.13 million bpd in 2025.

**Valuation**

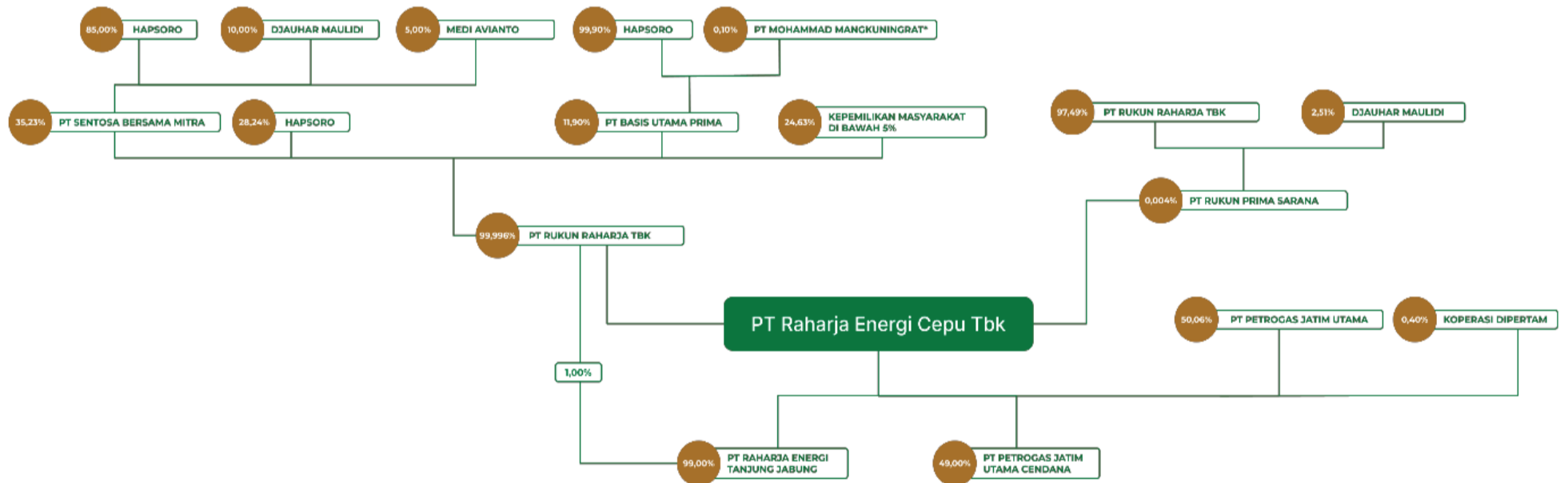
We initiate coverage on RATU with a HOLD recommendation and a DCF-based target price of Rp6,500, reflecting a 49.0x PE. The company generates stable cash flows from indirect interests in the Cepu Block (2.24% PI via PJUC) and the Jabung Block (8% PI), supported by an asset-light model (capex-to-sales: 0.02x) that enhances capital efficiency and limits operational exposure. While valuation appears stretched with a P/E of 49.0x (vs. 16.5x sector average), this is partially justified by a superior ROE of 44.4% (vs. 19.9% peers) and robust EPS growth of 63.7% YoY (vs. 2.7% peers). Near-term upside may be limited as the market awaits execution of growth initiatives such as BUIC optimization and future asset acquisitions, while key risks include oil price volatility, regulatory shifts, and reliance on third-party operators.

Figure 1. RATU's Milestones

Period	Description
2006	Establishment of PT Raharja Energi Cepu (formerly PT Syabas Usaha Migas)
2007	The Company acquired a 49% stake in PT Petrogas Jatim Utama Cendana (PJUC).
2009	Change of controller to Crosskeys International PTE Ltd. The Company participates in the Cepu Block through PJUC with a 2.2423% Participating Interest.
2010	Change of controller to DSME ENR Ltd.
2011	The name change to PT DSME ENR Cepu after being acquired by Daewoo Shipbuilding & Marine Engineering Co. Ltd.
2013	Change of controller to Daewoo Shipbuilding & Marine Engineering Co. Ltd.
2018	PT Rukun Raharja Tbk. (RAJA) acquired the Company and changed its name to PT Raharja Energi Cepu (REC), expanding RAJA's portfolio in the energy sector through its ownership in the Cepu Block and a partnership with ExxonMobil.
2022	The establishment of RETJ.
2023	The acquisition of an 8% Participating Interest in the Jabung Block from GPI through RETJ, opens up partnership opportunities with PetroChina. With a contract remaining for 19 years and large reserves, there is still additional development space in the Jabung Block.
2024	The name change to PT Raharja Energi Cepu Tbk is in the context of the Initial Public Offering (IPO) Plan.

Source: Company, Ajaib Research

Figure 2. Ownership Structures



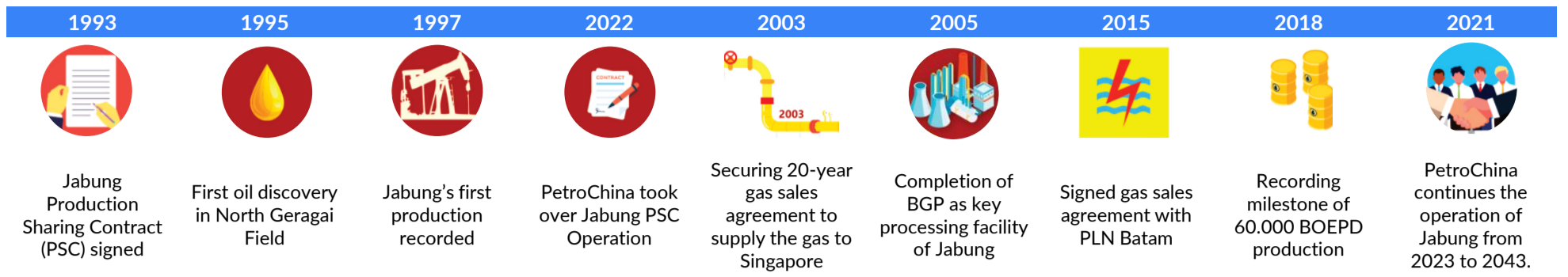
Source: Company

Figure 3. Profile of subsidiaries and associated companies

Company	Business Activities	Direct Ownership	Year of Establishment	Year of Participation	Contribution to Revenue (1Q25)	Contribution to Net Profit (1Q25)
RETJ (Subsidiary Company)	Oil and gas mining	99%	2022	2022	100%	71.6%
PJUC (Associated Companies)	Mining and petroleum trade	49%	2007	2007	-	28.4%

Source: Company, Ajaib Research

Figure 4. Jabung Block's Milestone



Source: PetroChina, Ajaib Research

Figure 5. RATU's Business Process



Source: Company, Ajaib Research

Figure 6. Blocks Overview

Block	Contractor	Production 2023	Production 2024	Production Capacity	Utilization Rate	PSC Contract Duration	Cumulative Production
Jabung	PetroChina	18,455 MBBL	21,341 MBBL	62 ribu BOE	85,17%	20 Tahun (27 Feb 2023 - 26 Feb 2043)	423 MMBOE
Cepu	ExxonMobil	56,737 MBBL	53,719 MBBL	230 ribu BBL	67,42%	30 Tahun (17 Sep 2005 - 16 Sep 2035)	660 MMBOE

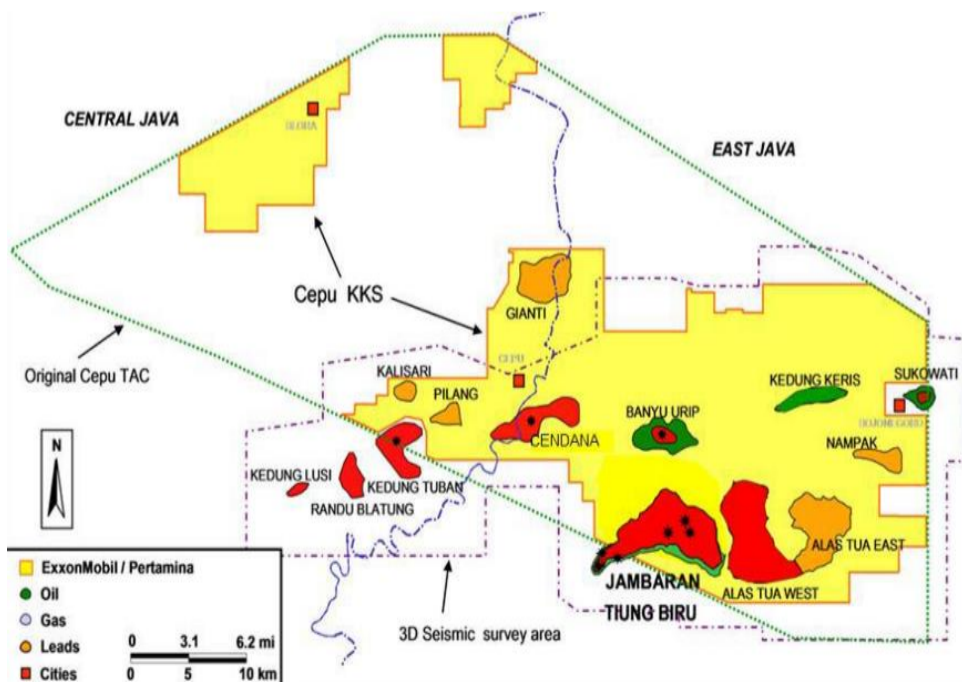
Source: Company, Ajaib Research

Figure 7. Rank of Biggest Oil & Gas Contractor in Indonesia

Rank	Company (Oil)	Oil Production (bopd)	Company (Gas)	Gas Production (mmscfd)
1	Pertamina Hulu Rokan	157,226	BP Berau	1,745
2	ExxonMobil Cepu	143,946	Pertamina EP	814
3	Pertamina EP	66,468	Medco E&P Grissik	748
4	PHM	25,527	ENI East Sepinggan	461
5	PHE ONWJ	24,962	PHM	427
6	PHE OSES	19,855	Pertamina-Medco Tomori	329
7	PetroChina Jabung	14,652	PetroChina Jabung	253
8	PHSS	10,580	Husky-CNOOC Madura	207
9	Medco E&P Natuna	9,991	ENI Muara Bakau	187
10	PC Ketapang II	8,770	Pertamina EP Cepu	187

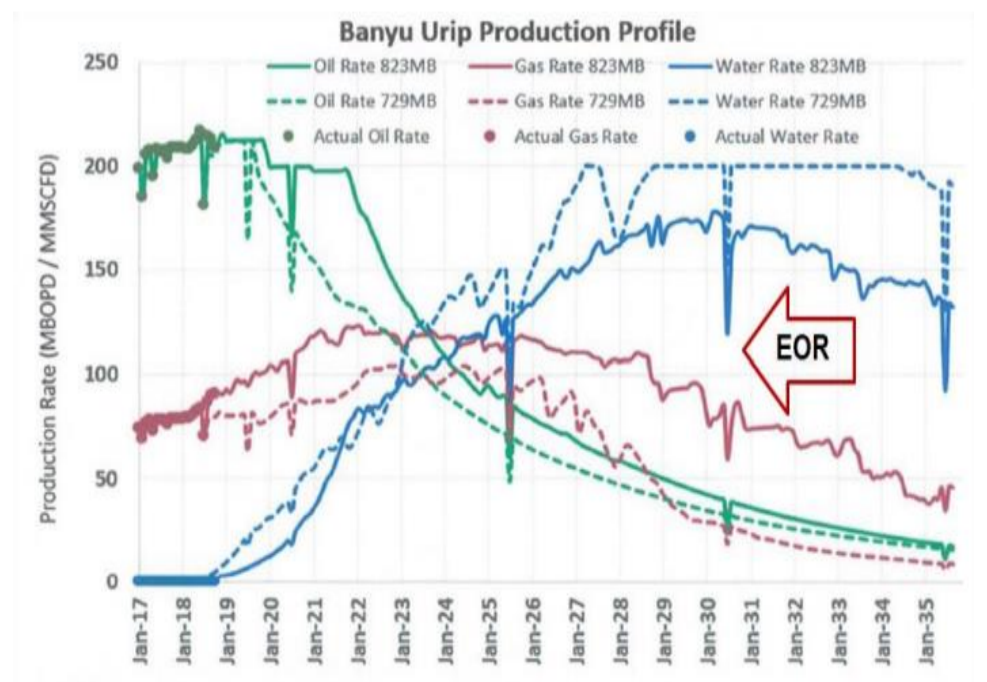
Source: ESDM, Ajaib Research

Figure 8. Cepu Block's Map Profile



Source: PJUC, Ajaib Research

Figure 9. Banyu Urip Field's Production Profile



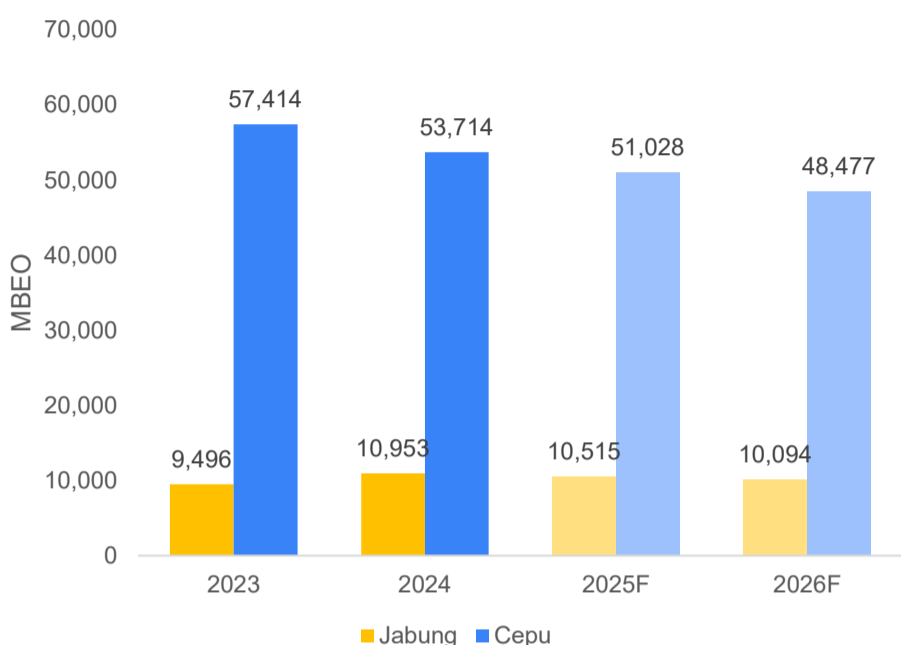
Source: PJUC, Ajaib Research

Figure 10. RATU's 1Q25 Results

Key Metrics (USD mn)	3M25	3M24	YoY	1Q25	4Q24	QoQ
Revenue	13.2	13.5	-1.8%	13.2	29.1	-54.4%
Operating Profit	6.8	4.4	55.3%	6.8	9.0	-24.0%
EBITDA Margin	51.5%	32.5%		51.5%	30.9%	
Net Profit	5.9	3.6	64.3%	5.9	6.3	-6.1%
NPM	44.7%	26.7%		44.7%	21.7%	

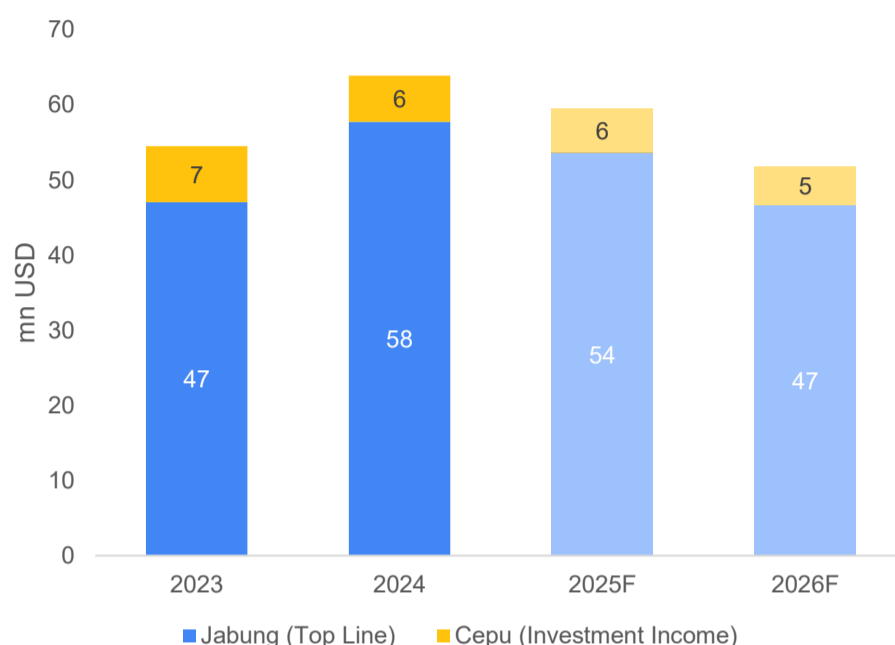
Source: Company, Ajaib Research

Figure 11. Oil & Gas Lifting's Forecast



Source: Company, Ajaib Research

Figure 12. Revenue Projections



Source: Company, Ajaib Research

Figure 13. DCF Valuation

Account (USD mn)	2024	2025F	2026F	2027F	2028F	2029F	2030F
EBIT	21	27	24	22	21	20	19
Income tax expense	(11)	(10)	(8)	(8)	(8)	(7)	(7)
Capex	2	1	1	1	1	1	1
Depreciation & amortization	0	0	0	0	0	0	0
Change in WC	1	1	1	1	1	2	2
<b>FCFF</b>	<b>13</b>	<b>20</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>16</b>	<b>15</b>
NPV of Forecast		81					
Terminal Value		1,449					
NPV of terminal value		980					
<b>Total enterprise value</b>		<b>1,061</b>					
Cash (+)		33					
Debt (-)		19					
Equity value (USD mn)		1,075					
<b>Number of shares</b>		<b>2,715</b>					
<b>Target price (Rp)</b>		<b>6,500</b>					

Source: Bloomberg, Ajaib Research

Figure 14. Peers Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	ROA (%)	EPS Growth (%)
RATU	16.43	48.9	21.7	97.0	44.4	29.2	63.7
MEDC	31.42	6.2	0.8	4.4	18.7	4.9	-28.5
ENRG	5.36	2.9	0.4	1.7	10.9	4.9	24.0
XOM	7,291.64	15.4	1.8	6.7	14.4	8.5	-11.2
PECN	3,359.10	9.2	0.9	3.0	11.1	6.7	-34.7
<b>Sector Average</b>		<b>16.5</b>	<b>5.1</b>	<b>22.6</b>	<b>19.9</b>	<b>10.8</b>	<b>2.7</b>

Source: Bloomberg, Ajaib Research

## Financial Statement

Income Statement (USD th)	2022	2023	2024	2025F	2026F
Revenue	0	47,042	57,743	53,624	46,675
Cost of revenue	0	-20,321	-35,298	-24,131	-21,004
<b>Gross Profit</b>	<b>0</b>	<b>26,721</b>	<b>22,445</b>	<b>29,493</b>	<b>25,671</b>
OpEx	-508	-518	-1,938	-2,145	-2,100
<b>Operating Profit</b>	<b>-508</b>	<b>26,203</b>	<b>20,507</b>	<b>27,348</b>	<b>23,571</b>
EBITDA	-501	26,210	20,513	27,354	23,576
Other Income (Expenses)	7,049	7,619	6,250	6,037	5,221
Net Interest Expense	-319	-975	-1,988	-1,352	-1,629
<b>Pre-tax profit</b>	<b>6,221</b>	<b>32,846</b>	<b>24,769</b>	<b>32,034</b>	<b>27,163</b>
Income Tax	2	-8,369	-10,814	-9,930	-8,420
<b>NPAT</b>	<b>6,224</b>	<b>24,477</b>	<b>13,956</b>	<b>22,103</b>	<b>18,742</b>
Minority Interest	0	-175	-85	-192	-200
<b>Net Profit</b>	<b>6,224</b>	<b>24,302</b>	<b>13,870</b>	<b>21,911</b>	<b>18,542</b>

Cashflow Statement (USD th)	2022	2023	2024	2025F	2026F
Net Profit	6,224	24,302	13,870	21,911	18,542
D&A	7	6	6	5	5
Changes in Working Capital	-1,210	-9,653	-893	-1,104	-1,222
Others	252	0	-336	-34	-37
<b>Operating Cash Flow</b>	<b>5,273</b>	<b>14,656</b>	<b>12,647</b>	<b>20,779</b>	<b>17,289</b>
Capital Expenditure	-36	-23,824	2,137	1,080	1,026
Changes in other assets	280	2,055	1,249	862	776
<b>Investing Cash Flow</b>	<b>244</b>	<b>-21,770</b>	<b>3,386</b>	<b>1,942</b>	<b>1,802</b>
Net - Borrowing	135	25,148	-5,643	-312	-297
Other Financing	-6,242	-6,428	-12,878	563	620
<b>Financing Cash Flow</b>	<b>-6,107</b>	<b>18,720</b>	<b>-18,521</b>	<b>251</b>	<b>323</b>
Net - Cash Flow	-590	11,606	-2,488	22,973	19,414
Cash at beginning	1,867	1,277	12,883	10,395	33,368
<b>Cash at ending</b>	<b>1,277</b>	<b>12,883</b>	<b>10,395</b>	<b>33,368</b>	<b>52,782</b>

Source: Company, Ajaib Research

Balance Sheet (USD th)	2022	2023	2024	2025F	2026F
Cash & equivalents	1,277	12,883	10,395	33,368	52,782
Receivables	0	10,372	11,400	12,540	13,794
Other Receivables	1,214	495	360	324	292
Others	0	0	336	370	407
<b>Total Current Assets</b>	<b>2,491</b>	<b>23,750</b>	<b>22,492</b>	<b>46,602</b>	<b>67,275</b>
Fixed Assets	34	23,852	21,709	20,624	19,592
Other Non-Current Assets	11,927	9,873	8,624	7,761	6,985
<b>Total Non-Current Assets</b>	<b>11,961</b>	<b>33,725</b>	<b>30,333</b>	<b>28,385</b>	<b>26,578</b>
<b>Total Assets</b>	<b>14,452</b>	<b>57,475</b>	<b>52,824</b>	<b>74,987</b>	<b>93,852</b>
ST. Bank loan	284	5,966	6,248	5,935	5,638
Payables	0	0	0	0	0
Other current Liability	11	2,234	3,751	4,126	4,538
<b>Total Current Liability</b>	<b>295</b>	<b>8,200</b>	<b>9,998</b>	<b>10,061</b>	<b>10,177</b>
LT. Debt	0	19,467	13,542	13,542	13,542
Other LT Liabilities	2,611	2,287	1,884	2,073	2,280
<b>Total Non-Current Liability</b>	<b>2,611</b>	<b>21,753</b>	<b>15,426</b>	<b>15,615</b>	<b>15,822</b>
<b>Total Liability</b>	<b>2,906</b>	<b>29,953</b>	<b>25,424</b>	<b>25,676</b>	<b>25,999</b>
<b>Total Equity</b>	<b>11,547</b>	<b>27,522</b>	<b>27,400</b>	<b>49,311</b>	<b>67,853</b>
<b>Total Liabilities &amp; Equity</b>	<b>14,452</b>	<b>57,475</b>	<b>52,824</b>	<b>74,987</b>	<b>93,852</b>

Key Ratios	2022	2023	2024	2025F	2026F
Gross Profit Margin (%)	N/A	56.8	38.9	55.0	55.0
Operating Margin (%)	N/A	55.7	35.5	51.0	50.5
EBITDA Margin (%)	N/A	55.7	35.5	51.0	50.5
Pre-Tax Margin (%)	N/A	69.8	42.9	59.7	58.2
Net Profit Margin (%)	N/A	51.7	24.0	40.9	39.7
Cash Ratio (x)	4.3	1.6	1.0	3.3	5.2
Debt to Equity (x)	0.0	0.9	0.7	0.4	0.3
Net Gearing (x)	-0.1	0.5	0.3	-0.3	-0.5

**Rating for Sectors:**

Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.

Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.

Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

**Rating for Stocks:**

Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.

Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.

Sell : The stock is expected to give total return of < 0% over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”

Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

**Analyst Certification:**

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